



Confirmed 2023 outlook: organic growth of c. +14% and Adjusted EBITDA margin of at least 5.5% Q3'23 in line with Group's expectations

Q3'23 current revenue growth (+9.1%) affected by strong currency headwinds and soft ad-funded in certain geographies

Paris, France – October 24, 2023

Q3 and Year-to-date 2023 Key Figures

- Revenue of €215.0 million in Q3'23, up +9.1% at current rate, with organic growth of +7.5% due to currency headwinds embedded in Premium solutions digital sales. Quarterly adjusted organic growth¹ amounted to +15.4% in Q3'23.
- Revenues of €630.4 million Year-to-Date, up +14.8% at current rate with organic growth of c. +13.9% due to currency headwinds embedded in Premium Solutions digital sales in Q2'23 and Q3'23. Year-to-date adjusted organic growth amounted to +18.1%.

Q3 2023 Highlights

- Healthy paid streaming growth continued. Revenue was, however, negatively impacted by the accelerated strengthening of the euro combined with soft ad-funded streaming monetization in certain geographies (Europe and Asia).
- Sustained improvement in profitability trends leading the Group to expect Adjusted EBITDA margin to be above 5.5% (c. 5.5% previously anticipated).
- The Group continued to drive additional market share gain across all markets and in a wider variety of music genres.
- Confirmed commitment to Shaping Music for Good through continued investment in education and training.

2023 Outlook

- In Q4'23, Belive anticipates a higher growth rate driven by a solid increase in paid streaming revenues due to positive impact of price increases, additional market share gains and slight recovery in ad-funded streaming by the end of the quarter. The Group also foresees lower but persistent currency headwinds.
- Advances are expected to be lower in H2'23 and the Group confirms its expectations of a positive free cash flow for H2'23.
- Consequently, Belive confirms its FY'23 outlook:
 - Organic growth c. +14%.
 - Sustained improvement in Adjusted EBITDA margin which is now anticipated to be at least 5.5% (versus c. 5.5% anticipated previously).
 - Negative free cash flow.

¹ Adjusted organic growth aims at providing a view on Belive's organic revenue growth after neutralizing embedded market forex impact: Belive assesses the forex impact on each digital market served by the Group to estimate the market forex embedded into its digital revenues collected from its digital partners. Digital sales embed currency translation effects as the amounts collected from Subscriptions and Ad-funded by digital stores are in local currencies and perceived by Belive mainly in euros.



Denis Ladegaillerie, Founder and CEO said: “Q3’23 has been a challenging quarter, but we kept delivering a top-notch service to our artists and labels, enabling artists at various stage of their career to reach the top of the charts and labels to outperform their local market. During the quarter, we also furthered our discussions with our top digital partners to boost Believe’s roster. Our actions remained geared to further improve the quality of service that we offer.”

Q3 2023 AND YEAR-TO-DATE KEY FIGURES

<i>in € million</i>	Q3 2022	Q3 2023	<i>Change YoY</i>	<i>Organic change²</i>
Group Revenues	197.0	215.0	+9.1%	+7.5%
<i>Premium Solutions</i>	184.4	202.9	+10.1%	+7.9%
<i>Automated Solutions</i>	12.6	12.1	-4.5%	+0.6%
<i>in € million</i>	9M 2022	9M 2023	<i>Change YoY</i>	<i>Organic change</i>
Group Revenues	549.2	630.4	+14.8%	+13.9%
<i>Premium Solutions</i>	513.6	591.4	+15.2%	+14.4%
<i>Automated Solutions</i>	35.6	39.0	+9.4%	+6.2%

Q3 2023 HIGHLIGHTS

Revenue growth affected by challenging market conditions in line with Group’s expectations

In Q3’23, Believe continued growing despite challenging market conditions, which affected the overall digital monetization of the Group.

Paid streaming trends were solid. The Group expects them to continue in Q4’23 and to benefit in addition from price increases at some large digital platforms.

Ad-funded streaming monetization remained soft notably in Europe and Asia Pacific / Africa. This situation was anticipated by the Group, which expects ad-funded monetization to start rebuilding in Q4’23.

The strengthening of the euro accelerated over the quarter in line with the Group’s anticipations. Subscriptions and ad-funded streaming are collected in local currencies by digital service providers, which reversed those royalties to the Group mostly in euros. Given Believe’s geographical footprint, the exposure to non-euro digital markets amounts to c. 70%, which leads the Group to capture significant currency translation effects in its digital monetization. Digital sales adjusted for estimated embedded market forex were up +16.8%, leading to an adjusted organic growth up +15.4%.

Reinforced appeal in a wider variety of music genres enabling additional market share gains in Q3’23

Believe recorded another quarter of market share gains. The Group has now deployed its full offering in 15 markets and succeeded in establishing its Artist Services offer as a reference for digital artists in those countries.

The Group further advanced its ability to develop artists to the very top of the market, as illustrated by the success of Jey Brownie (rap – France) or Das Lumpenpack (rock – Germany), the entry in the 5 Spotify Global charts of Nadhif Basalamah (pop - Indonesia) or the rise of Here at last (pop - UK), among others. Believe also enjoyed great

² Organic growth accounts for revenue at constant perimeter and constant exchange reports



performances in the Latin music space with the success of emerging Spanish artist Iñigo Quintero and his song “Si no estás”, which is ranking #1 as of today on Spotify’s Top 50 Global Charts and currently top charting across global markets. The new album “El Comienzo” of the established Regional Mexican Grupo Frontera released early August is also ranking as of today #14 global album on Spotify Charts and #37 global album on Apple Music. The band is one of the nominees for the Best Song of the Year and Best Regional Mexican Song at the 2023 Latin Grammy Awards, bringing to 6 the number of Believe’s nominees at the Awards (taking place on November 16, 2023).

Further building one of the leading music companies in Asia and strengthening its appeal to local acts

The Group further invested in Asia by building additional capabilities in Greater China or launching Premium Solutions in Japan in a context of increased digitalization of music genres locally. The Group was until now mainly present through its subsidiary TuneCore.

Believe also celebrated its first decade of presence in India where it has become one of the largest players in the local music industry. With less than 0.5%³ paid streaming penetration, India offers a significant growth opportunity. The Group has been focused on building a strong local team presence with carefully tailored service offerings best adapted to India’s unique artist market. Believe has become a leading player in several market segments, including Punjabi, Bhojpuri, Haryanvi among others. Top local talents such as Punjabi Pop artists Arjan Dhillon and Chani Nattan, as well as Maharashtra’s MC Stan who cumulated +1 billion views on YouTube for his song “Insaan”, and duo Cheema Y & Gur Sidhu who reached +22 million streams on Spotify for the track “California Love”. Overall, in India, artists served directly or through their labels have generated close to 1.9 trillion streams over the past 10 years and Believe has been contributing to shape a new music market by paying out significant royalties to an ever growing number of artists and labels.

Focus on artist development driving innovation and collaboration with digital partners

The quality of service remains a top priority for Believe to allow each artist to strive in the digital world, at each stage of their career. During the quarter, the Group developed and is now deploying AI Radar, a proprietary tool to detect music generated by Artificial Intelligence (AI).

The Group has also been actively engaged in working with digital partners to deploy a new streaming model aimed at lowering streaming fraud and white noise. Believe expects to benefit both in terms of market share and revenue from these initiatives. Believe further expects to benefit from the deployment of new commercial models aiming at establishing a fair, balanced, and diverse market.

Confirming commitment to education and equality in the music industry to further *Shape Music for Good*

As part of its Corporate Social Responsibility strategy *Shaping Music for Good*, Believe is committed to support local communities and young talents, offering its expertise in the music industry, and accompanying them through educational and mentorship programs. This is particularly the case in the US where Believe partners with KeyChange, in India through its BEAMS program⁴, and in France where Believe participated in mock interviews with about twenty young job seekers, supporting the League of Young Talents during a Sport and Employment

³ Sources: industry experts and internal estimates

⁴ “Believe for Education Advancement through Music Scholarship” program, in partnership with the Manzil Mystics association, enables young musicians to receive a two-year scholarship, as well as training and mentorship, to help them launch their careers in the music industry.



bootcamp. Believe is also a partner of the AdaTech school, which aims to train the new generation of tech talents, encouraging women to join the industry and supporting career transitions.

On the occasion of its solidarity month 'Shaping Together' in October, Believe mobilized nearly 50% of its teams worldwide to participate in activities that support the four priorities of Shaping Music for Good: Gender Equality, Diversity & Inclusion, Well-being and Talent Development, as well as Planet.

Q3 2023 FINANCIALS

Organic revenue growth would have been up c. +15% restated from currency headwinds

Q3'23 revenue grew by +9.1% to reach €215.0 million, reflecting organic growth of +7.5%, a positive perimeter effect related to the acquisition of Sentric (publishing) of +2.1% and a positive hyperinflation effect. These positive impacts were mitigated by a negative forex effect (-1.3%) mostly related to the Turkish lira devaluation and to the dollar weakening versus the euro which affected TuneCore revenue. Revenue was also strongly affected by currency headwinds in Q3'23. As described previously, the Group's organic growth captures currency translation effects directly embedded in the royalties that Believe receives from its digital partners. With the accelerated strengthening of the euro during the period, currency translation generated a dragging effect estimated at -8.0% on organic growth, which would have amounted to +15.4% restated from this impact.

In Q3'23, paid streaming remained strong even though it was not yet impacted by the price increases of digital stores due their deployment calendar in some markets. The absence of ad-funded streaming recovery in emerging markets and currency headwinds related to the appreciation of the euro resulted in digital sales up +7.1% during the quarter. Believe continued to increase its digital market share, albeit at a slightly slower pace than last quarters. Non digital sales were up strongly in Premium Solutions driven by live music activities in France, as well as branding and other activities in Turkey where revenue was uplifted by the hyperinflation effect.

Believe kept growing since January with revenues up +14.8% year-to-date mostly reflecting a +13.9% organic growth for the period closing at the end of September. The change in perimeter driven by the integration of Sentric amounted to €11.7 million (or 2.1% to revenue growth year-to-date), but this contribution was compensated by a negative forex impact mostly related to the Turkish lira and the dollar weakening versus the euro which affected TuneCore revenue. Year-to-date digital sales adjusted for estimated embedded market forex amounted to +19.6%, leading to an organic growth adjusted for market embedded forex of +18.1%.

Premium Solutions driving organic growth, Automated Solutions impacted by challenging comparison base

In Premium Solutions, revenues amounted to €202.9 million, up +10.1% at current rate. Currency headwinds accelerated in Q3'23 with the strengthening of the euro versus local currencies and affected digital monetization of the segment. Organic growth adjusted for estimated embedded market FX amounted to +16.5% resulting in an organic growth amounting to +7.9%. Overall, the Group continued to build market share in a market which is growing mostly due to paid streaming, as ad-funded streaming monetization remained soft notably in emerging markets. The integration of Sentric contributed about €4.2 million to revenue, adding around 2% to revenue growth in the segment.

Automated Solutions revenues amounted to €12.1 million, down -4.5% year-over-year, largely due to the weakening of the dollar versus the euro of around -6%. Organic growth was stable year-over-year as TuneCore also had a challenging comparison basis. The *Unlimited Pricing* offer, which was introduced in July'22, attracted many new subscribers in the months following the launch. The ramp up in terms of customers acquisition is still



ongoing and the average revenue per user is consequently still below compared with last year. In addition, the 'Discovery' plan, which is part of the Unlimited Pricing offer, increased TuneCore's exposure to ad-funded streaming, which remained soft during the quarter.

Strong growth in Europe excluding France and Germany but softer performance in other geographies

Revenue growth amounted to +25.9% in **Europe (excluding France and Germany)** and represented 31.1% of total revenues in Q3'23. Revenue growth was particularly sustained in Southern Europe, Eastern Europe and Turkey. In addition, the performance was enhanced by the integration of Sentric in Q3'23, which positively impacted revenue in the UK.

<i>in € million</i>	Q3 2022	Q3 2023	Change YoY
Europe (excl. France & Germany)	53.1	66.9	+25.9%
Americas	28.6	31.0	+8.4%
Asia Pacific / Africa	52.3	55.8	+6.6%
France	34.1	34.4	+0.7%
Germany	28.8	27.0	-6.4%
Total	197.0	215.0	+9.1%

Americas grew by +8.4% and represented 14.4% of Group revenues. The level of activity in Brazil and Mexico remained very strong in Q3'23, illustrating solid success in the Latin music space. TuneCore was impacted by an unfavorable comparison as revenues significantly increased in Q3'22 after the introduction of the Unlimited Pricing offer in July'22 and by the weakening of the dollar versus the euro.

In Q3'23, revenue growth reached +6.6% **in Asia Pacific and Africa**, which represented 25.9% of Group revenues. Believe further benefited from paid streaming penetration increase and consolidated its leading positions across the region, but ad-funded streaming revenues remained soft. Digital monetization was also affected by negative currency headwinds due to the euro strengthening versus local currencies directly embedded, affecting the overall performance. Consequently, India and Southeast Asia grew only single digit. Revenue growth remained, however, very strong in Greater China, as well as in Japan where the Group expanded its presence by deploying its Premium offering.

In **France**, revenues were slightly up in Q3'23 and represented 16.0% of Group revenues. Commercial dynamics remained solid throughout the quarter despite the lower growth rate. The comparison base was challenging as the Group grew by more than 40% in Q3'22. Over the past years, the Group has built a strong position in its domestic market and is now established among the top 3 players for local acts. This strong presence also resulted in higher live music activities during the quarter, which will be even higher in Q4 given the current pipeline. The Group also managed to re-sign numerous key acts in long-term deals both for catalogues and new releases.

In **Germany**, revenues were down -6.4% in Q3'23 and represented 12.5% of Group revenues. Digital sales remained less dynamic during the quarter in line with the end of Q2'23, but the Group continued diversifying the roster in terms of music genres. The pursuit of the roll-out of Madizin (Schlager genre) resulted in additional promising signings. Non-digital sales were strongly down as the Group was still moving away from contracts that were too heavy in physical sales and merchandising.

FY 2023 OUTLOOK AND MID-TERM OBJECTIVES

Believe grew organically by c. +14% year-to-date, reflecting a strong start to the year followed by a deceleration of the growth rate in Q2'23 and even more in Q3'23, which combined no recovery in ad-funded monetization and a peak in currency headwinds affecting its digital monetization. The Group anticipates organic growth rate to recover in Q4'23 thanks to solid paid streaming trends enhanced by price increases by some large digital partners,



a slight recovery in ad-funded streaming expected at the end of the quarter and additional market share gains. Currency headwinds are expected to remain persistent but to lose in intensity. Consequently, Believe confirmed its FY'23 organic growth outlook, which has been revised around +14% as announced on H1'23 earnings release early August.

Believe kept investing in the Central Platform in Q3'23 at the same controlled level as in H1'23 and will continue to manage similarly until year end, further driving improved amortization of associated costs over revenues. The Group maintained its focus on improving efficiency across the organization throughout the last quarter. Consequently, Believe further improved profitability and is now expecting an Adjusted EBITDA margin above 5.5% in FY'23 (versus c. 5.5% anticipated previously as announced in H1'23 release).

As anticipated, the Group's track record and quality of service further attracted top artists and Tier-1 labels in a wider variety of music genres and in more geographies in Q3'23, leading to a solid level of new signings and additional advances. There was however a deceleration compared to the peak reached in Q2'23 as anticipated. Believe therefore confirms its expectations of a positive free cash flow in H2'23. but free cash flow will remain negative on a full year basis.

In an uncertain environment the Group is actively managing its investments policy, between new hirings, new advances and M&A. As announced in H1'23, the Group has allocated more capital to label advances because of their high returns versus M&A opportunities. After the acquisition of Sentric in March'23, which is now expected to add around 2% of revenue growth on a full year basis with a neutral impact on Adjusted EBITDA margin after accounting for integration costs, the Group identifies interesting acquisition targets but remains highly selective. Acquisitions investments will therefore slowdown in H2'23.

Notwithstanding the current environment, the Group is on track to deliver on its medium-term trajectory communicated at the IPO, including a 2021-2025 CAGR of between +22% and +25% and a Group Adjusted EBITDA of 5%-7% by 2025, implying a segment Adjusted EBITDA margin of 15%-16% (which is a "high growth period" margin, as the revenue growth is partially reinvested). Believe reiterates its confidence in its ability to achieve its long-term target of at least 15% Group Adjusted EBITDA margin.

Webcast:

We will host a webcast <https://edge.media-server.com/mmc/p/bsgibgnn> and conference call starting at 6:30 p.m. CET (5:30 p.m. GMT) today. Denis Ladegaillerie, our Founder and CEO, and Xavier Dumont, our Chief Financial and Strategy Officer, will present Q3'23 revenue and answer questions addressed in the call or submitted through the webcast. All information related to Q3'23 revenue is available on our investor website.

Conference call details:

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Conference ID: 88365



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Financial agenda Believe (Ticker: BLV, ISIN: FR0014003FE9):

13 March 2024: FY 2023 earnings – Press release to be issued after market close.

24 April 2024: Q1 2024 revenue – Press release to be issued after market close.

1st August 2024: H1 2024 earnings – Press release to be issued after market close.

23 October 2024: Q3 2024 revenue – Press release to be issued after market close.

Appendix

1. Quarterly revenue by division

in € million	Q1 2022	Q1 2023	Change	Organic change
Premium solutions	151.1	186.0	+23.0%	+23.8%
Automated solutions	11.4	12.7	+11.2%	+9.8%
Total revenues	162.5	198.6	+22.2%	+22.8%

in € million	Q2 2022	Q2 2023	Change	Organic change
Premium solutions	178.1	202.5	+13.7%	+13.2%
Automated solutions	11.6	14.3	+22.9%	+8.6%
Total revenues	189.7	216.8	+14.3%	+12.9%

2. Revenue breakdown between digital and non-digital sales (as reported)

	Q1'22	Q2'22	Q3'22	Q1'23	Q2'23	Q3'23	YTD'22	YTD'23
Digital sales	93%	92%	94%	93%	90%	92%	93%	92%
Non-digital sales	7%	8%	6%	7%	10%	8%	7%	8%

3. Digital and non-digital sales growth (as reported)

	Q1'23	Q2'23	H1'23	Q3'23	YTD'23
Digital sales	+ 22.2%	+ 11.9%	+ 16.7%	+ 7.1%	+ 13.2%
Non-digital sales	+ 21.8%	+ 42.1%	+ 32.9%	+ 39.6%	+ 35.0%



4. Digital and non-digital sales organic growth

	Q1'23	Q2'23	H1'23	Q3'23	YTD'23
Digital sales	+ 22.6%	+ 14.0%	+ 18.0%	+ 7.1%	+ 14.1%
Non-digital sales	+ 24.9%	- 0.5%	+ 11.0%	+ 12.4%	+ 11.4%

5. Premium Solutions revenue growth adjusted for estimated embedded market forex effects

	Q1'23	Q2'23	H1'23	Q3'23	YTD'23
Digital sales	+24.1%	+20.4%	+22.0%	+16.8%	+19.6%
Non-digital sales	+27.0%	-2.4%	+10.5%	+11.2%	+10.7%

6. Revenue breakdown by geographies Year-to-date (January-September 2023)

in € million	YTD 2022	YTD 2023	Change YoY
Europe (excl. France & Germany)	151.5	188.8	+24.6%
APAC / Africa	143.1	168.0	+17.4%
Americas	78.4	91.6	+16.9%
France	93.5	100.9	+7.9%
Germany	82.7	81.1	-1.9%
Total	549.2	630.4	+14.8%

About Believe

Believe is one of the world's leading digital music companies. Believe's mission is to develop independent artists and labels in the digital world by providing them the solutions they need to grow their audience at each stage of their career and development. Believe's passionate team of digital music experts around the world leverages the Group's global technology platform to advise artists and labels, distribute and promote their music. Its 1,720 employees in more than 50 countries aim to support independent artists and labels with a unique digital expertise, respect, fairness and transparency. Believe offers its various solutions through a portfolio of brands including Believe, TuneCore, Nuclear Blast, Naïve, Groove Attack, AllPoints, Ishtar and Byond. Believe is listed on compartment B of the regulated market of Euronext Paris (Ticker: BLV, ISIN: FR0014003FE9). www.believe.com

Forward Looking statement

This press release contains forward-looking statements regarding the prospects and growth strategies of Believe and its subsidiaries (the "Group"). These statements include statements relating to the Group's intentions, strategies, growth prospects, and trends in its results of operations, financial situation and liquidity. Although such statements are based on data, assumptions and estimates that the Group considers reasonable, they are subject to numerous risks and uncertainties and actual results could differ from those anticipated in such statements due to a variety of factors, including those discussed in the Group's filings with the French Autorité des Marchés Financiers (AMF) which are available on the website of Believe (Investors | Believe). Prospective information contained in this press release is given only as of the date hereof. Other than as required by law, the Group expressly disclaims any obligation to update its forward-looking statements in light of new information or future developments. Some of the financial information contained in this press release is not IFRS (International Financial Reporting Standards) accounting measures.